Prospects for Foreign Trade in

FRUITS, VEGETABLES, TREE NUTS

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CONTENTS

PROSPECTS FOR FOREIGN TRADE IN FRUITS, VEGETABLES, AND TREE NUTS

SUMMARY

In the United States, 1962 fruit production was above the previous year's for oranges, canned fruit, and pears, but it was down slightly to moderately for apples, dried fruit, and tree nuts. In Western Europe, production was above the small crops of 1961-62 but below the large one of 1960-61. Foreign competitive supplies of canned fruit at year's end are above the record levels of the year before.

Demand conditions in Western Europe continue excellent. There has been little progress in removal of the hard-core trade barriers. However, a vigorous effort is being made by the Administration to remove these barriers soon.

Winter orange and lemon crops from the Mediterranean are expected to be smaller and less competitive with U.S. products in 1962-63; competition for the grapefruit market may increase, however, because of larger crops in Israel and the West Indies. The 1963 Italian Verdelli lemon crop may also be larger than that of the previous year. Generally, U.S. exports of citrus products and of fresh grapefruit are expected to increase, and those of oranges and lemons to be maintained at about 1962 levels.

World production, supplies, and trade of canned deciduous fruits in 1962-63 are again expected to be record-large. U.S. exports of canned cling peaches and fruit cocktail in 1962-63 are expected to increase over the record 1961-62 levels in view of further increase in U.S. production, competitiveness of U.S. prices, and strong European demand.

Though foreign raisin production is up and prices are down this season, U.S. production is down and prices are up, with the result that U.S. exports will be sharply lower than last season. In 1962-63, as in 1961-62, foreign dried prune production is above average (1955-59) and U.S. production below average. U.S. prices on the other hand, have been reduced, and U.S. exports should equal those of last season.

The 1962-63 world supplies of almonds and filberts are somewhat below average and those of walnuts much above average (1955-59). Although carryover stocks are larger international trade in almonds will be substantially lower than the alltime high attained in 1961-62; filbert trade may approximate that of last season, while walnut trade should increase materially. U.S. imports and exports of these tree nuts this season will be modest.

Prospects for exports of U.S. fresh and processed vegetables appear less favorable than in the past season. Sales losses in the important Canadian market are expected to more than offset a possible increase in exports to Europe of fresh vegetables, especially potatoes and onions. Imports of winter vegetables may about equal those of last season.

The applications of several European countries for membership in the European Economic Community (EEC) or for association with it are not likely to be acted upon during this marketing season.

Grade standards for a number of fresh fruits and vegetables were made effective in the EEC in July 1962. Trade in Extra Class--the top EEC grade—was liberalized between member countries. It is not clear how the various trade restrictive measures enumerated in the Common Agricultural Policy will be put into effect. The United States is opposing trade restrictive measures unless they are implemented under the "escape clause" procedure of the GATT.

There has been little further liberalization or removal of the hard-core trade barriers during the past year. However, Denmark liberalized imports of citrus juices and fresh grapes, and increased the quota for pineapple. Canada removed its surtax on fresh and processed fruits and vegetables. Efforts to remove the remaining trade barriers against U.S. fruits and vegetables are being intensified both through GATT and in negotiations with individual countries.

PROSPECTS BY COMMODITY GROUPS

Citrus Fruits

Fresh Citrus.—Forecasts indicate a smaller Mediterranean orange and lemon crop for the 1962-63 season, except in Israel where a combined export crop of oranges and grapefruit 25 percent above that of the previous year is expected. While winter lemon supplies in both Spain and Italy may be lower than 1962, the summer crop is expected to be somewhat heavier.

A record U.S. winter orange and grapefruit crop is expected to provide abundant supplies of fresh fruit and fruit products for export. The California-Arizona lemon crop is expected to be both smaller and later than that of the previous season, and the California summer Valencia Crop remains small both in quantity and in fruit size.

In the 1962-63 season, the U.S. citrus industry will meet increased foreign competition both in the domestic market and in Canada. Israel exported 13,000 boxes of oranges to the United States in 1962, and expects to ship at least double that quantity this season. South Africa may become a supplier of oranges in the summer to the United States if satisfactory quarantine measures can be developed against the false codling moth. Canadian imports of oranges and tangerines are increasing, but the U.S. share of this market is decreasing. In 1959-60, Canada imported about 6 million boxes of oranges and tangerines, of which 1 million boxes came

from non-United States sources, as South Africa, Japan, and Israel expanded export sales there. Mexico is not expected to be a competitive factor in this market, however, until the industry recovers from the freeze damage of 1962.

Regulations covering the export of fresh citrus to Western Europe are becoming increasingly complicated. The German and Austrian rulings that diphenyl-treated fruit be so labeled at retail, remain. Gulf Coast orange exports are hampered by restrictions against the use of citrus Red No. 2

TABLE 1. --Citrus fruits: Production in principal producing areas, 1953-62

Commodity and crop year	United States	Mediterranean	Southern Hemisphere	Other	World total
Oranges & tangerines:	*Mil. boxes*	*Mil. boxes*	*Mil. boxes*	*Mil. boxes*	*Mil. boxes*
1953	131	104	42	35	312
1954	136	111	44	44	335
1955	137	114	46	43	340
1956	137	92	52	49	330
1957	111	122	55	52	340
1958	134	131	61	55	381
1959	130	143	62	57	392
1960	122	132	64	62	380
1961	142	150	62	52	406
1962 1/	150	137	--	--	---
Grapefruit:					
1953	48	2	1	2	53
1954	42	2	1	2	47
1955	45	2	1	2	50
1956	45	2	1	2	50
1957	40	2	2	2	46
1958	44	3	2	1	50
1959	42	3	2	1	48
1960	43	3	2	2	50
1961	43	3	2	1	49
1962 1/	45	4	--	--	---
Lemons:					
1953	16	14	3	--	33
1954	14	14	4	--	32
1955	13	14	4	--	31
1956	16	15	4	--	35
1957	17	17	4	--	38
1958	17	19	5	--	41
1959	18	19	5	--	42
1960	14	18	5	--	37
1961	17	21	4	--	42
1962 1/	14	17	--	--	---

1/ Preliminary.

TABLE 2.--Fresh citrus fruit: U.S. share of world production and trade, and percent of U.S. sales exported, by principal destination, 1953-61

Crop year	U.S. share of world--		Percent of U.S. sales exported			
	Production	Trade	Total	Europe	Canada	Other
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
1953	50	16	12.3	4.1	7.5	0.7
1954	47	17	12.7	4.7	7.1	.9
1955	47	20	15.0	6.8	7.2	1.0
1956	48	19	14.9	6.6	7.3	1.0
1957	40	13	13.8	5.8	7.2	.8
1958	41	13	13.3	4.5	7.5	1.3
1959	39	11	12.5	3.7	7.2	1.6
1960	38	12	13.6	5.4	6.8	1.4
1961 1/	41	13	14.1	4.9	7.3	1.9

1/ Preliminary.

TABLE 3.--Fresh citrus fruit: Exports to Europe from principal supplier, crop seasons 1955-61

Commodity and origin	1955	1956	1957	1958	1959	1960	1961 1/
	Mil. boxes	*Mil. boxes*	*Mil. boxes*	*Mil. boxes*	*Mil. boxes*	*Mil. boxes*	*Mil. boxes*
Oranges and tangerines:							
United States	4.3	3.8	1.2	1.7	0.8	1.4	1.0
Mediteranean area	49.3	42.5	54.7	55.3	64.3	60.7	75.1
Southern Hemisphere	6.3	7.5	8.7	8.4	9.6	12.3	9.3
Grapefruit:							
United States	.6	.6	.5	.6	.5	.8	1.1
Mediterranean area 2/	1.7	1.8	1.7	2.0	2.3	2.5	2.2
Southern Hemisphere	.4	.5	.5	.6	.6	.7	.5
Lemons:							
United States	1.3	1.5	2.6	1.4	1.8	2.0	1.6
Mediterranean area	6.5	7.9	6.4	9.6	9.4	8.6	9.5
Southern Hemisphere	1.9	1.2	1.7	1.5	2.4	2.1	.3

1/ Preliminary.
2/ Includes small quantities from the Caribbean.

in Germany, England, France, Switzerland, Belgium, and the Netherlands. The new trading regulations being established by the Common Market add a further complicating factor, and the grade standards and price stabilization regulations can become trade barriers, if they are administered restrictively.

The United Kingdom continues to discriminate against U.S. winter grapefruit by prohibiting U.S. imports while importing from all other world sources, including major competitors of Commonwealth producers such as Israel.

Processed Citrus Products.—The Canadian market continues to be the largest U.S. outlet for citrus juices, which are sold there in much the same manner as to the American public. The devaluation of the Canadian dollar has raised the price of our citrus products in Canada, with some sales resistance possible as a consequence.

In Western Europe, U.S. marketing of grapefruit sections continues to be restricted by the United Kingdom's quotas. As in the case of fresh grapefruit, the United Kingdom discriminates against purchase of U.S. grapefruit sections by importing freely from all other countries in the world. The United Kingdom is the major market in Europe for citrus juice, and the sale of U.S. orange and grapefruit juice is severely restricted there by monetary quotas. Every effort continues to be made for removal of these serious trade restrictions.

By prohibiting the import of U.S. orange juice, France deprives the United States of a significant market in Europe. Italian restrictions on the import of orange juice from the United States also affect U.S. sales opportunities.

The large citrus crop in Florida will result in competitive U.S. prices for citrus juices, and these prices, combined with possible reduction in freight rates from the Gulf Coast to Europe, should result in increased citrus products sales during the 1962-63 season. Exports to Europe could double immediately if restrictions in France and the United Kingdom were removed.

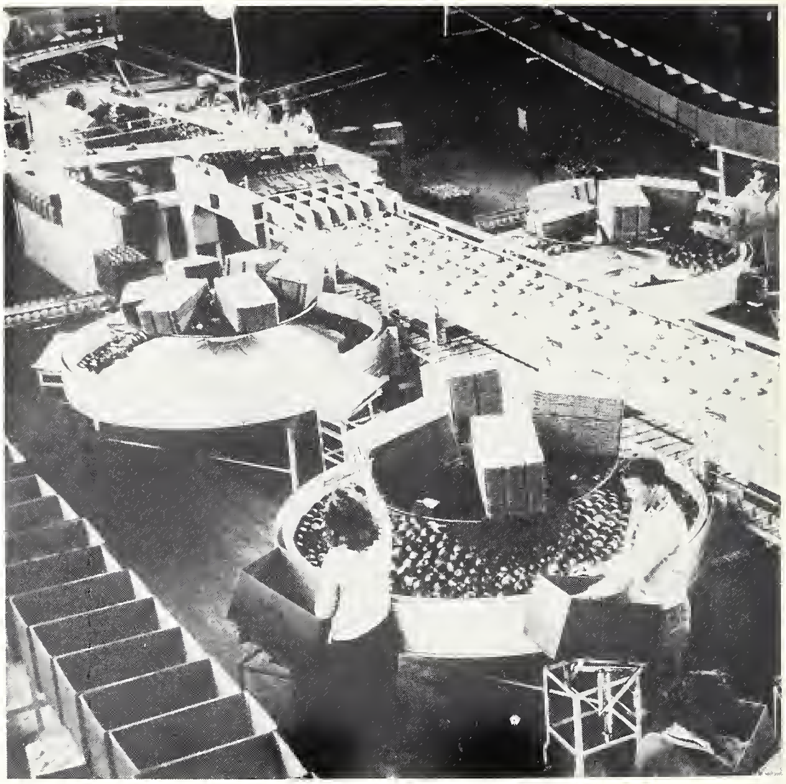
Europe's prosperous integrating market continues to offer fine opportunities for the development of outlets for industrial U.S. citrus products.

Deciduous Fruit

Fresh Fruit.—On an overall basis, Canada was again the major export outlet for U.S. deciduous fruit in 1962. The bulk of U.S. soft fruit exports goes to Canada and makes up a large proportion of total sales in that market. The most important market for apples and pears continues to be Western Europe.

The level of exports of U.S. apples and pears is, therefore, very closely related to the size of the crops in European countries. Apples and pears are grown in all countries of Europe, and most of these countries maintain seasonal embargoes on imports through the fall months when their own supplies are on the market. Embargoes are removed when these indigenous supplies have moved to markets. Consequently, the opening date of entry for imports into a market, and the ultimate volume of import trade there, are determined by domestic production in that country, and by the movement of its own products.

Right, workers in a modern U.S. plant pack apples for shipment. The fruit is first hand-graded for quality, then automatically sized by weight as it moves from a conveyor to bins lined with foam rubber.



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Left, a cargo of 39,000 bushels of Appalachian apples, sold to Finland, is loaded on a Swedish ship docked in the Potomac River at Alexandria, Va.

TABLE 4.--Table apples and pears: Production in principal producing areas, 1953-62

Commodity and crop year	United States	Foreign countries					World total
		Europe		Other Northern Hemisphere	Southern Hemisphere	Total	
		Market Countries 1/	Other Europe				
Apples:	*Mil. bu.*	*Mil. bu.*	*Mil. bu.*	*Mil. bu.*	*Mil. bu.*	*Mil. bu.*	*Mil. bu.*
1953....	95	162	65	43	27	297	392
1954....	112	197	65	46	32	340	452
1955....	107	126	84	46	29	285	392
1956....	101	198	94	60	35	387	488
1957....	118	79	71	63	33	246	364
1958....	127	263	115	67	40	485	612
1959....	127	142	118	68	40	368	495
1960....	109	260	118	70	41	495	597
1961....	127	137	142	78	40	397	524
1962 2/.	120	188	135	---	---	---	---
Pears:							
1953....	28	60	28	12	8	108	136
1954....	30	55	23	12	11	101	131
1955....	30	56	27	12	10	105	135
1956....	32	46	28	15	11	100	132
1957....	32	21	26	14	12	73	105
1958....	29	78	33	16	11	138	167
1959....	30	41	36	18	12	106	136
1960....	26	68	37	20	11	136	162
1961....	27	48	46	20	12	126	153
1962 2/.	28	53	46	---	---	---	---

1/ Austria, Belgium, France, Germany, Ireland, Netherlands, Norway, Sweden, Switzerland, and United Kingdom.
2/ Preliminary.

TABLE 5.--Fresh deciduous fruit: U.S. share of world production and trade, and percent of U.S. sales exported, by principal destination, 1953-61

Crop year	U.S. share of world--		Percent of U.S. sales exported			
	Production	Trade	To Europe	To Canada	To other countries	Total
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
1953..........	26	9	0.3	2.2	1.2	3.7
1954..........	27	10	.5	2.6	1.1	4.2
1955..........	27	9	.9	2.9	1.3	5.1
1956..........	26	10	.7	3.4	1.1	5.2
1957..........	31	15	3.1	3.2	1.2	7.5
1958..........	23	10	.9	3.0	1.2	5.1
1959..........	26	10	2.0	3.7	1.3	7.0
1960..........	22	10	1.3	4.2	1.2	6.7
1961 1/......	23	9	2.7	3.7	.9	7.3

1/ Preliminary.

TABLE 6.--Fresh apples and pears: Exports to Western Europe, by major supplying area, average 1949-53, annual 1955-61 1/

Commodity and origin	Average 1949-53	1955	1956	1957	1958	1959	1960	1961 2/
	Mil. boxes	*Mil. boxes*	*Mil. boxes*	*Mil. boxes*	*Mil. boxes*	*Mil. boxes*	*Mil. boxes*	*Mil. boxes*
Apples:								
United States........	0.9	0.8	0.4	3.3	0.7	1.9	1.1	2.8
Canada.............	1.1	.9	.6	1.8	1.0	1.3	1.1	1.5
Europe.............	13.0	23.9	21.6	22.9	19.4	39.4	20.5	43.3
Southern Hemisphere	4.1	7.9	8.2	10.7	10.9	11.2	12.9	14.9
Pears:								
United States........	.1	.3	.4	.9	.3	.8	.4	.8
Europe.............	4.6	5.8	5.2	3.6	5.6	7.3	6.8	7.8
Southern Hemisphere	1.5	2.4	2.9	3.3	2.8	3.2	2.4	4.6

1/ Year beginning July 1.
2/ Preliminary.

TABLE 7.--Table grapes: U.S. share of world production and trade, and percent of U.S. sales exported, by principal destination, 1953-61

Crop year	U.S. share of world--					
	Production	Trade	To Europe	To Canada	To other countries	Total
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
1953.......	19	18	---	7.1	2.3	9.4
1954.......	17	18	.1	8.0	2.5	10.6
1955.......	18	20	.6	8.8	2.8	12.2
1956.......	16	19	.9	9.9	2.6	13.4
1957.......	17	22	.9	11.1	2.9	14.9
1958.......	14	18	.9	11.7	3.0	15.6
1959.......	15	20	1.0	13.2	2.8	17.0
1960.......	15	21	1.3	13.7	2.8	17.8
1961 2/ ...	13	17	.9	14.1	2.0	17.0

1/ Grapes consumed fresh.
2/ Preliminary.

The long-term outlook for U.S. apple and pear exports is for fluctuating trade with alternate good and bad years corresponding to changes in European production. However, U.S. trade is showing a generally upward trend.

European crops in 1961 were small and most countries opened their markets to imports early. A very good demand developed for U.S. fruit and the volume exported was high: 4.9 million bushels of apples compared with 2.8 million in 1960-61, and 1.4 million bushels of pears compared with 1.1 million in 1960-61. Apparently, even more could have been exported had the supplies been readily available. The 1962 crops of both fruits in Europe were up from the year before: 16 percent for apples and 6 percent for pears. However, these crops are 14 and 5 percent, respectively, below the high production level of 1960. And, in some areas, adverse weather has brought somewhat poorer quality. For example, most North Italian apples and pears were unusually small and many apples were poorly colored.

Sweden, one of the more important markets where embargoes are maintained until movement of the local crop is determined, announced its opening date for pear imports this year as November 12, and West Germany opened November 16. The United Kingdom controls imports by quotas and the market is open, within quota limits, from the beginning of the season. The Netherlands has no quota limitations.

Indications from these areas are that demand for U.S. fruits will again be good this year, particularly that for pears, but probably not quite as strong as last year. If anticipated demand should materialize, U.S. exports during the 1962-63 season may be only slightly below last season's levels.

Canned Fruit.—Supplies of canned deciduous fruit in the major producing countries during 1962 are the heaviest on record. International trade in deciduous canned fruit in 1962-63 will probably increase again, making this the fourth consecutive season when exports will have exceeded the record of the preceding year.

The total volume of 1962 U.S. pack may not differ greatly from the previous year's record level. Output of Clingstone peaches, cherries, and fruit cocktail is above 1961, while the pear pack may be equal to the previous year's or slightly larger, and the apricot and Freestone peach packs smaller. Despite the record 1961 pack, U.S. canners' stocks on June 1, 1962, in aggregate, were about the same as the year before. Apricot and cherry stocks were materially smaller, and peach stocks slightly lower, while pear and fruit cocktail supplies were higher.

Foreign canned fruit production was above that of 1961. The smaller South African pack was more than offset by record Australian production. The combined Australian-South African apricot pack was larger, as was that of pears, but the output of canned Cling peaches showed the largest increase while that of fruit cocktail was virtually unchanged. The Argentine pack, mostly Cling peaches, was reported above that produced in 1961. The 1962 Spanish output of canned apricots was reported to be slightly lower than that of the previous year, whereas the Italian pear pack may have been larger.

Prospects are favorable for further increases in U.S. exports of canned peaches and fruit cocktail during 1962-63, even though for the third successive year U.S. exports of these items attained record highs. (U.S. peach exports in 1961-62 totaled 5.3 million cases compared with the previous high of 4.1 million cases in 1960-61; fruit cocktail exports amounted to 2.8 million cases in 1961-62 compared with 2.1 million cases in 1960-61, also the previous high.)

TABLE 8.--Canned deciduous fruit: Production, by area, 1954-61 seasons

Area	1954	1955	1956	1957	1958	1959	1960	1961 1/
	Mil. cases 2/	*Mil. cases* 2/	*Mil. cases* 2/	*Mil. cases* 2/	*Mil. cases* 2/	*Mil. cases* 2/	*Mil. cases* 2/	*Mil. cases* 2/
United States	57.7	65.8	71.1	65.2	64.1	77.6	76.1	80.8
Canada	3.3	3.8	2.8	3.3	3.1	2.9	3.0	3.8
Europe	9.3	9.1	11.8	9.4	12.0	12.6	12.3	13.0
Australia and South Africa	7.5	7.7	7.5	9.8	7.8	9.5	9.4	11.3
Other Countries	1.5	1.8	2.7	4.5	3.9	4.0	5.4	5.0
Total	79.3	88.2	95.9	92.2	90.9	106.6	106.2	113.9

1/ Preliminary.
2/ Equivalent 24 No. 2-1/2 cans.

Abundant U.S. supplies at the most competitive prices ever quoted, coupled with increasing foreign demand, should result in further expansion of U.S. canned peach and fruit cocktail exports, despite larger competing supplies.

U.S. canned apricot exports in 1962-63 are expected to be lower, as a larger foreign pack selling at lower prices again dominates the European market. Although U.S. canned pears are in relatively large supply and the most competitively priced in recent years, exports will probably not expand this season because of an abundance of lower priced fruit from traditional suppliers.

TABLE 9.--Canned deciduous fruit: U.S. share of world production and trade, and percent of U.S. sales exported, by principal destination, 1953-61

Crop year	U.S. share of world--		Percent of U.S. sales exported			
	Production	Trade	To Europe	To Canada	To other countries	Total
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
1953.........	80	25	1.6	1.3	1.1	4.0
1954.........	73	24	1.5	1.7	1.1	4.3
1955.........	75	29	3.0	1.3	1.2	5.5
1956.........	74	33	3.5	1.8	1.3	6.6
1957.........	71	33	4.6	2.1	1.3	8.0
1958.........	71	28	3.8	1.6	1.1	6.5
1959.........	73	34	5.0	1.8	.9	7.7
1960.........	73	39	6.3	2.2	.6	9.1
1961 1/.....	71	42	8.6	1.9	.6	11.1

1/ Preliminary.

TABLE 10.--Canned pineapple: Production, by area, 1955-61

Area	1955	1956	1957	1958	1959	1960	1961 1/
	Mil. cases 2/	*Mil. cases* 2/	*Mil. cases* 2/	*Mil. cases* 2/	*Mil. cases* 2/	*Mil. cases* 2/	*Mil. cases* 2/
Hawaii 1/ and Philippines...	14.7	14.6	13.5	14.2	14.2	15.0	15.2
Malaya	1.4	1.7	2.1	1.9	1.6	1.8	1.8
Others	4.2	4.8	5.4	6.6	5.4	5.7	6.0
Total	20.3	21.1	21.0	22.7	21.2	22.5	23.0

1/ Preliminary.
2/ Equivalent 24 No. 2-1/2 cans.

WORLD PRODUCTION AND TRADE

for specified fresh and processed fruits by principal countries

FRESH ORANGES (Incl. TANGERINES)

PRODUCTION			EXPORTS			IMPORTS		
Country	Average 1956-59	Pctg. of Total	Country	Average 1956-59	Pctg. of Total	Country	Average 1956-59	Pctg. of Total
	1,000 boxes			1,000 boxes			1,000 boxes	
1. United States	127,838	35.4	1. Spain	18,850	24.9	1. West Germany	15,634	20.4
2. Spain	35,433	9.8	2. United States	9,118	12.0	2. France	15,326	20.0
3. Japan	27,323	7.6	3. Israel	8,596	11.4	3. United Kingdom	11,623	15.2
4. Italy	24,216	6.7	4. Morocco	7,378	9.8	4. Canada	6,073	7.9
5. Brazil	20,750	5.7	5. Italy	7,087	9.4	5. Netherlands	4,294	5.6
6. Mexico	20,505	5.7	6. Algeria	7,026	9.3	6. Belgium	3,327	4.4
7. Argentina 1/	19,761	5.5	7. South Africa	6,516	8.6	7. Sweden	2,642	3.5
8. Israel	13,311	3.7	8. Brazil	2,151	2.8	8. Soviet Union	2,602	3.4
9. Other	71,792	19.9	9. Other	8,914	11.8	9. Other	15,009	19.6
Total	360,929	100.0	Total	75,636	100.0	Total	76,530	100.0

FRESH GRAPEFRUIT

PRODUCTION			EXPORTS			IMPORTS		
	1,000 boxes			1,000 boxes			1,000 boxes	
1. United States	42,498	88.1	1. United States	2,100	46.3	1. Canada	1,680	36.0
2. Israel	1,784	3.7	2. Israel	1,260	27.8	2. United Kingdom	1,288	27.6
3. Argentina 1/	770	1.6	3. South Africa	308	6.8	3. Germany, West	490	10.5
4. Trinidad & Tobago	742	1.5	4. Cyprus	154	3.4	4. France	462	9.9
5. South Africa	473	1.0	5. Morocco	140	3.1	5. Switzerland	185	4.0
6. Jamaica	392	.8	6. Trinidad & Tobago	140	3.1	6. Belgium	178	3.8
7. Cyprus	210	.4	7. Surinam	112	2.5	7. Netherlands	126	2.7
8. Mexico	208	.4	8. Algeria	84	1.8	8. Sweden	65	1.4
9. Other	1,184	2.5	9. Other	238	5.2	9. Other	193	4.1
Total	48,261	100.0	Total	4,536	100.0	Total	4,667	100.0

FRESH LEMONS

PRODUCTION			EXPORTS			IMPORTS		
	1,000 boxes			1,000 boxes			1,000 boxes	
1. United States	17,142	44.0	1. Italy	5,924	54.0	1. Germany, West	2,913	28.5
2. Italy	10,534	27.0	2. United States	2,365	21.6	2. France	1,534	15.0
3. Argentina 1/	2,652	6.8	3. Spain	763	6.9	3. United Kingdom	917	9.0
4. Spain	1,657	4.3	4. Greece	544	4.9	4. U. S. S. R.	742	7.2
5. Greece	1,633	4.2	5. Lebanon	276	2.5	5. Poland	546	5.3
6. Turkey	1,148	2.9	6. Israel	230	2.1	6. Austria	488	4.8
7. Chile	863	2.2	7. Tunisia	175	1.6	7. Canada	423	4.1
8. Lebanon	508	1.3	8. Algeria	152	1.4	8. Switzerland	415	4.1
9. Other	2,852	7.3	9. Other	547	5.0	9. Other	2,247	22.0
Total	38,989	100.0	Total	10,976	100.0	Total	10,225	100.0

WORLD PRODUCTION AND TRADE

for specified fresh and processed fruits by principal countries

TABLE APPLES

PRODUCTION Country	Average 1956-59	Pctg. of Total	EXPORTS Country	Average 1956-59	Pctg. of Total	IMPORTS Country	Average 1956-59	Pctg. of Total
	1,000 bushels			*1,000 bushels*			*1,000 bushels*	
1. United States	116,947	21.7	1. Italy	19,812	36.5	1. Germany, West	15,260	30.8
2. Italy	66,395	12.3	2. Argentina	4,702	8.7	2. United Kingdom	8,727	17.6
3. Germany, West	61,600	11.4	3. Australia	4,279	7.9	3. U. S. S. R.	5,017	10.1
4. Japan	36,762	6.8	4. China	3,399	6.3	4. France	2,193	4.4
5. United Kingdom	24,535	4.6	5. Netherlands	3,212	5.9	5. Switzerland	2,100	4.2
6. France	20,242	3.8	6. United States	3,022	5.6	6. Sweden	1,680	3.4
7. Argentina	16,368	3.0	7. Canada	2,151	4.0	7. Germany, East	1,447	2.9
8. Canada	14,210	2.6	8. Hungary	1,765	3.3	8. Brazil	1,365	2.8
9. Other	181,871	33.8	9. Other	11,909	21.8	9. Other	11,724	23.8
Total	538,930	100.0	Total	54,251	100.0	Total	49,513	100.0

TABLE PEARS

PRODUCTION Country	Average 1956-59	Pctg. of Total	EXPORTS Country	Average 1956-59	Pctg. of Total	IMPORTS Country	Average 1956-59	Pctg. of Total
	1,000 bushels			*1,000 bushels*			*1,000 bushels*	
1. United States	29,490	16.9	1. Italy	3,674	33.2	1. Germany, West	3,987	35.7
2. China	29,042	16.7	2. Argentina	1,523	13.8	2. United Kingdom	2,643	23.7
3. Italy	20,899	12.0	3. Netherlands	1,389	12.6	3. Sweden	851	7.6
4. Germany, West	14,784	8.5	4. United States	1,299	11.7	4. Canada	538	4.8
5. Japan	8,198	4.7	5. South Africa	1,030	9.3	5. Austria	492	4.4
6. France	7,728	4.4	6. Australia	1,030	9.3	6. Belgium	403	3.6
7. Turkey	5,029	2.9	7. Belgium	627	5.7	7. Venezuela	314	2.8
8. Netherlands	4,446	2.6	8. Japan	269	2.4	8. Brazil	314	2.8
9. Other	54,466	31.3	9. Other	225	2.0	9. Other	1,613	14.6
Total	174,082	100.0	Total	11,066	100.0	Total	11,155	100.0

TABLE GRAPES

PRODUCTION Country	Average 1956-59	Pctg. of Total	EXPORTS Country	Average 1956-59	Pctg. of Total	IMPORTS Country	Average 1956-59	Pctg. of Total
	1,000 tons			*1,000 tons*			*1,000 tons*	
1. Italy	819	24.3	1. Italy	142	28.0	1. Germany, West	178	37.7
2. Turkey	701	20.8	2. United States	82	16.1	2. Canada	69	14.6
3. United States	466	13.8	3. Bulgaria	80	15.8	3. United Kingdom	50	10.6
4. Spain	258	7.7	4. Spain	60	11.8	4. U. S. S. R.	29	6.1
5. France	223	6.6	5. South Africa	24	4.7	5. Germany, East	28	5.9
6. Yugoslavia	195	5.8	6. France	20	3.9	6. Switzerland	25	5.3
7. Bulgaria	131	3.9	7. Hungary	19	3.7	7. Austria	17	3.6
8. Greece	125	3.7	8. Greece	18	3.6	8. Sweden	16	3.4
9. Other	452	13.4	9. Other	63	12.4	9. Other	60	12.8
Total	3,370	100.0	Total	508	100.0	Total	472	100.0

WORLD PRODUCTION AND TRADE

for specified fresh and processed fruits by principal countries

CANNED FRUITS 2/

PRODUCTION			EXPORTS			IMPORTS		
Country	Average 1956-59	Pctg. of Total	Country	Average 1956-59	Pctg. of Total	Country	Average 1956-59	Pctg. of Total
	1,000 cases 3/			1,000 cases 3/			1,000 cases 3/	
1. United States	93,333	66.6	1. United States	7,268	25.2	1. United Kingdom	12,916	47.8
2. Australia	6,820	4.9	2. South Africa	4,231	14.7	2. Germany, West	3,945	14.6
3. Japan	6,172	4.4	3. Australia	3,833	13.3	3. Canada	2,554	9.4
4. South Africa	5,028	3.6	4. Japan	2,389	8.3	4. United States	1,965	7.3
5. United Kingdom	4,729	3.4	5. Spain	2,090	7.3	5. Belgium-Lux.	991	3.7
6. Canada	3,783	2.7	6. Malaya & Singapore	1,941	6.7	6. Sweden	816	3.0
7. Germany, West	3,285	2.3	7. Formosa	1,244	4.3	7. France	569	2.1
8. France	2,340	1.7	8. Philippines	996	3.5	8. Netherlands	474	1.8
9. Other	14,734	10.4	9. Other	4,823	16.7	9. Other	2,801	10.3
Total	140,224	100.0	Total	28,815	100.0	Total	27,031	100.0

DRIED PRUNES

Country	Average 1956-59	Pctg. of Total	Country	Average 1956-59	Pctg. of Total	Country	Average 1956-59	Pctg. of Total
	1,000 tons			1,000 tons			1,000 tons	
1. United States	148	74.4	1. United States	48	58.5	1. United Kingdom	13	16.9
2. Yugoslavia	26	13.1	2. Yugoslavia	15	18.3	2. U.S.S.R.	13	16.9
3. France	8	4.0	3. Romania	6	7.3	3. Germany, West	12	15.6
4. Argentina	7	3.5	4. Argentina	3	3.7	4. Canada	7	9.1
5. Chile	5	2.5	5. Chile	3	3.7	5. Denmark	4	5.2
6. Australia	3	1.5	6. Bulgaria	3	3.7	6. France	4	5.2
7. South Africa	2	1.0	7. Australia	1	1.2	7. Finland	3	3.9
			8. South Africa	1	1.2	8. Italy	3	3.9
			9. Other	2	2.4	9. Other	18	23.3
Total	199	100.0	Total	82	100.0	Total	77	100.0

RAISINS

Country	Average 1956-59	Pctg. of Total	Country	Average 1956-59	Pctg. of Total	Country	Average 1956-59	Pctg. of Total
	1,000 tons			1,000 tons			1,000 tons	
1. United States	193	36.1	1. Turkey	60	21.9	1. United Kingdom	71	26.0
2. Turkey	88	16.4	2. Australia	58	21.2	2. Germany, West	49	17.9
3. Australia	74	13.8	3. Greece	47	17.2	3. U.S.S.R.	30	11.0
4. Iran	71	13.3	4. United States	43	15.7	4. Canada	25	9.2
5. Greece	58	10.8	5. Iran	40	14.6	5. India	12	4.4
6. Spain	16	3.0	6. Afghanistan	11	4.0	6. Netherlands	12	4.4
7. Syria	16	3.0	7. Cyprus	7	2.6	7. France	9	3.3
8. Argentina	8	1.5	8. Spain	6	2.2	8. Italy	9	3.3
9. Other	11	2.1	9. Other	2	.6	9. Other	56	20.5
Total	535	100.0	Total	274	100.0	Total	273	100.0

1/ Includes unharvested production, approximately one-half of total.
2/ Includes citrus and noncitrus.
3/ Equivalent cases of 24 No. 2 1/2 cans.

TABLE 11.--Canned fruit: Imports, by area, 1955-61

Commodity and area	1955	1956	1957	1958	1959	1960	1961 1/
	Mil. cases 2/	Mil. cases 2/	Mil. cases 2/	Mil. cases 2/	Mil. cases 2/	Mil. cases 2/	Mil. cases 2/
Deciduous:							
Europe	8.7	9.7	11.5	12.6	14.2	15.5	16.6
Canada	1.0	1.6	1.6	1.3	1.8	1.9	1.2
U.S.	.1	.1	.1	.1	.1	----	----
Other	.2	.3	.2	.2	.3	.1	.6
Total	10.0	11.7	13.4	14.2	16.4	17.5	18.4
Pineapple							
Europe	4.7	5.2	6.4	6.4	7.2	6.7	7.0
Canada	.7	.7	.9	1.0	1.0	1.0	.6
Other	.2	.4	.3	.6	.9	1.0	1.2
Total	5.6	6.3	7.6	8.0	9.1	8.7	8.8
Total:							
Europe	13.4	14.9	17.9	19.0	21.4	21.6	23.6
Canada	1.7	2.3	2.5	2.3	2.8	2.6	1.8
U.S.	.1	.1	.1	.1	.1	----	----
Other	.4	.7	.5	.8	1.2	.9	1.8
Total	15.6	18.0	21.0	23.2	25.5	25.1	27.2

1/ Preliminary.
2/ Equivalent 24 No. 2 1/2 cans.

Dried Fruit.—Foreign raisin supplies in 1962-63 are large and prices competitive, in sharp contrast with the situation in the United States where 1962-63 supplies are limited and prices high. A bumper crop was harvested in 1962 in Australia, Greece, and Turkey, while the crop in Iran and the United States was well below average (1955-59).

The 1962 world raisin pack may total 540,000 short tons, which, while slightly below the 559,000-ton 1961 pack, is nevertheless larger than average. World exports in 1962-63 are expected to approximate the 313,000-ton total of 1961-62, which was substantially above average world exports of 274,000 tons.

In consequence of the supply and price situation, U.S. exports of raisins in 1962-63 will be drastically reduced—probably less than half as much as the 65,400 tons shipped in 1961-62.

The 1962-63 world prune situation is somewhat similar to that of raisins. The 1962 world pack of dried prunes was slightly above average whereas the U.S. pack was somewhat below average. Yugoslavia, and, to a greater degree,

France, had larger crops than usual while the U.S. crop, for the fifth successive year, was smaller than normal. The 1962 foreign pack, though above average, was smaller than the 1961 pack.

World exports of dried prunes in 1962-63 may be greater than the 70,000 tons exported in 1961-62, but the third consecutive season of below-average world trade is nevertheless anticipated. U.S. 1962-63 exports—despite increased production in France and improved quality in Yugoslavia—are expected to approximate the 44,000 tons shipped last season, mainly because U.S. prices are several cents per pound lower this season than last.

The 1962 world pack of dried apricots is smaller than the large 1961 pack and is also less than average. The California pack is down moderately, but prices are considerably higher. Though Iran's pack is down from last year's bumper harvest, it is still above average; Iranian prices are only slightly higher than last year's and much below current U.S. prices. As a result, 1962-63 U.S. dried apricot exports will probably not match the relatively good shipments of the past 2 seasons.

TABLE 12.--Raisins and dried prunes: Production, by area, in 1953-62

Commodity and crop year	United States	Mediterranean	Southern Hemisphere	World Trade
	1,000 tons	*1,000 tons*	*1,000 tons*	*1,000 tons*
Raisins:				
1953	233	208	101	542
1954	168	193	96	457
1955	225	180	85	490
1956	200	253	57	510
1957	163	222	82	467
1958	186	207	94	487
1959	223	263	90	576
1960	194	169	73	436
1961	228	248	83	559
1962 1/	170	265	105	540
Dried Prunes:				
1953	148	60	16	224
1954	178	17	12	207
1955	135	36	18	189
1956	196	8	18	222
1957	168	28	16	212
1958	97	27	20	144
1959	144	57	18	219
1960	139	8	18	165
1961	142	51	19	212
1962 1/	140	45	19	204

1/ Preliminary.

TABLE 13. --Dried fruit:[1] U.S. share of world production and trade, and percent of U.S. sales exported, by principal destination, 1953-61

Crop year	U.S. share of world--		Percent of U.S. sales exported			
	Production	Trade	To Europe	Canada	To other countries	Total
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
1953	45	24	18.7	4.3	3.0	26.0
1954	46	19	14.5	4.8	3.4	22.7
1955	48	28	23.1	4.2	3.6	30.9
1956	47	26	21.7	4.4	3.2	29.3
1957	43	22	21.4	4.9	3.3	29.6
1958	39	13	12.9	3.8	2.8	19.5
1959	41	18	15.2	3.7	2.9	21.8
1960	47	24	18.8	4.0	6.3	29.1
1961[2]	42	25	18.9	3.7	6.9	29.5

[1] Apples, apricots, peaches, pears, prunes, and raisins. [2] Preliminary.

Tree Nuts

Following a record harvest the previous year, the 1962 world almond pack was a small one—only about half as large as in 1961 and also well below average (1955-59). Even with the large carryover, the 1962-63 supply will be smaller than average. The 1961-62 world trade in almonds, in response to attractive prices and growing demand, was 99,000 tons, shelled basis, far greater than in any previous season. While 1962 foreign almond production was substantially below average, the U.S. pack was of near-normal volume.

Thus far in 1962-63, almond prices, both domestic and foreign, have been sharply higher than in 1961-62; they are likely to continue strong, at least through the period of peak movement. World trade will, of course, be much smaller this season. U.S. exports, too, will be down and will probably be the smallest since 1958-59. Imports into the United States will again be negligible.

World walnut supplies for 1962-63 will be considerably larger than average, in contrast with 1961-62, when they were below average. Both foreign and U.S. walnut production were large in 1962. The 1962 crop was particularly large in Italy; it was also good in France and India.

Prices of U.S. walnuts at the beginning of the 1962-63 season were lower than a year earlier; early-season foreign prices were also generally somewhat lower.

International trade in walnuts will probably be substantially greater this season than in 1961-62 (when about 48,000 tons, unshelled basis moved in

export) and may even exceed the 1960-61 volume of 61,000 tons. U.S. imports, however, may not be much larger than in 1961-62, when they dropped sharply from the previous season's level; U.S. export volume will probably continue to be minor, though possibly greater than in any of the past 3 seasons.

TABLE 14.--Almonds, filberts, and walnuts: Production in the United States and other countries, on a shelled basis, 1953-62

Commodity and crop year	United States	Other 1/	Total
Almonds:	*1,000 tons*	*1,000 tons*	*1,000 tons*
1953	19.6	84.9	104.5
1954	22.2	72.7	94.9
1955	19.2	45.7	64.9
1956	30.0	40.2	70.2
1957	18.0	101.8	119.8
1958	9.6	56.5	66.1
1959	42.2	101.1	143.3
1960	26.8	54.1	80.9
1961	35.7	117.0	152.7
1962 2/	23.0	59.8	82.8
Filberts:			
1953	2.0	50.0	52.0
1954	3.4	74.8	78.2
1955	3.1	53.6	56.7
1956	1.2	87.3	88.5
1957	5.0	65.0	70.0
1958	3.0	73.4	76.4
1959	4.0	78.9	82.9
1960	3.6	59.1	62.7
1961	4.7	69.0	73.7
1962 2/	3.6	75.7	79.3
Walnuts:			
1953	23.1	27.9	51.0
1954	29.4	29.3	58.7
1955	30.2	37.8	68.0
1956	28.0	34.5	62.5
1957	26.0	20.2	46.2
1958	34.6	34.0	68.6
1959	25.1	28.4	53.5
1960	29.1	35.1	64.2
1961	27.0	30.4	57.4
1962 2/	34.1	38.8	72.9

1/ Almonds: Iran, Italy, Morocco, Portugal and Spain. Filberts: Italy, Spain, and Turkey. Walnuts: France, Italy, Iran, Turkey, Yugoslavia, and India.
2/ Preliminary.

After two years of below-average world production, an above-average crop of filberts was harvested in 1962. The all-important Turkish crop was slightly above average in 1962. However, a significant proportion of the crop was of unmerchantable grade, and beginning stocks were smaller than normal for the second straight year. World supplies of merchantable filberts are therefore subnormal. On the other hand, European demand is strong, particularly in view of the limited supplies and high prices prevailing for almonds. As a result, foreign filbert prices are exceptionally high, possibly the highest in 7 years, and export movement is again active.

Though 1962 production of filberts was a little below average, imports may not be much larger, because of current high foreign prices, than the reduced volume of 1961-62 imports.

Vegetables

U.S. exports of fresh and processed vegetables may be down slightly this year, a development which would reverse the steady upward trend prevailing since 1950. Canada, the most important market for potatoes and fresh vegetables, has devalued its dollar; and from June 26 to November 15, 1962, it applied a surtax of 5 percent to most fresh and processed vegetables that did not have a seasonal duty. This surtax had a relatively small effect on vegetable exports because of the seasonal nature of this trade, but the devaluation will make these products cost 7-1/2 percent more than they did a year earlier in Canada. The processing of vegetables is expanding rapidly in several European countries, but volume is still relatively small. Italy has been expanding its pack of canned whole tomatoes and tomato paste. U.S. exports of these items have decreased, and imports have shown a corresponding increase.

Normally, U.S. potatoes and onions are not exported to Western Europe. However, 1962 production in Western Europe was below the relatively small crops of the previous year. In the past, European imports have been either

TABLE 15.--Vegetables: U.S. exports, by destination, average 1959-61 1/

Commodity	Total	Canada	Cuba	Venezuela	Other
	Mil. lb.	*Percent of total*	*Percent of total*	*Percent of total*	*Percent of total*
Potatoes	290.0	82.3	7.5	4.4	5.8
Vegetables, fresh	741.4	89.0	4.0	.1	6.9
Vegetables, canned	166.9	27.0	4.0	4.2	64.8
Total	1198.3	78.8	4.8	1.7	14.7

1/ Preliminary.

severely limited or else embargoed by plant quarantine restrictions. Last year, several European countries admitted U.S. certified seed potatoes for food uses. If this modification is made again this season, at an early date, exports will be substantially higher than the small volume of last season. Onions have been exported to Europe for the past 3 seasons. Last winter the volume was small, as the Texas freeze reduced supplies and caused high prices in the domestic market. If U.S. prices remain at moderate levels it is expected that exports in the first quarter of 1963 will be large.

Potato exports to Canada will be curtailed again by the application of a duty valuation of $2.67 in Canadian dollars, f.o.b. U.S. shipping points. This valuation applies on all table potatoes entering Canada from Port Arthur and points further West. Last year the value was set at $2.78 per hundredweight and it applied in the same area.

TABLE 16.--Vegetables, fresh: U.S. imports, by origin, average 1959-61 1/

Commodity	Total	Canada	Chile	Cuba	Mexico	Other
	Mil. lb.	*Percent of total*	*Percent of total*	*Percent of total*	*Percent of total*	*Percent of total*
Potatoes	71.3	100.0	---	---	---	---
Tomatoes	250.5	.8	---	9.2	86.2	3.8
Melons	158.9	---	8.2	.2	86.1	5.5
Other	300.3	43.5	3.9	14.3	26.0	12.3
Total, excl. potatoes	709.6	18.7	3.5	9.3	60.7	7.8
Grand total	780.9	26.1	3.2	8.5	55.2	7.0

1/ Preliminary.

U.S. imports of winter vegetables should be about the same as those of last season. The acreage in Mexico and in the Caribbean area is expected to be about the same as last year. However, the trend toward raising of staked tomatoes in Mexico is continuing upward and these tomatoes yield about four times the volume of marketable tomatoes when compared with ground tomatoes. If U.S. prices are relatively high, imports from Mexico may be larger than those of last year.

Onion acreage in Mexico will probably be expanded, but U.S. imports are likely to be lower, unless U.S. prices are high. Also, unfavorable weather has been reported in some of the Mexican production areas.

DEVELOPMENTS IN WORLD MARKETS

The Common Market is now a going concern. The member countries currently comprise a population of 170 million people. In addition, the United Kingdom, Ireland, Norway, and Denmark have applied for full membership. Greece has become an associate member, and Sweden, Switzerland, Austria, and Turkey have applied for associate status.

For most fruits and vegetables, the EEC's common external tariff was established at the average of the individual country import duties as of January 1, 1957. At the end of a transitional period, duties between the member countries will be zero.

The European Economic Community initiated its common agricultural policy for fruits and vegetables on July 30, 1962. The basic objective of this policy is to achieve a balance between supply and demand (including trade with third countries), at a price level that is equitable for producers and that favors specialization within the community, and to liberalize internal trade in fruits and vegetables by the end of the transition period. The extension of this policy to imports from third countries is secondary to these prime objectives, and means to protect the internal market from such imports are provided. The policy by implication extends to both fresh and processed products, but some EEC officials state that the basic regulation applies only to fresh commodities.

Provisions to implement the policy include (1) establishing standards of quality, size, and packing for 21 fresh fruits and vegetables, (2) fixing a schedule of internal liberalization, (3) providing means for the individual member states to limit imports from other member states if necessary, and (4) providing means to suspend imports from third countries or to place a compensatory tax on such imports. The basic policy is set forth in Council Regulation No. 23, supplemented (as of December 1, 1962) by 12 additional regulations and several decisions.

The standards adopted by the EEC are, for the most part, those prepared by the Economic Commission for Europe of the United Nations and are divided into three

A young prune orchard in France, typifying the significant increase in plantings of fruit in the Common Market.

TABLE 17.--Exports of horticultural products from the United States, by principal destination, 1956-61

Year	Canada	Europe		Central America	South America	Other	Total
		EEC	Other				
Fruits and nuts and preparations:	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*
1956	101	66	61	15	9	14	266
1957	105	64	40	16	11	16	252
1958	112	62	49	15	13	16	267
1959	119	46	48	12	14	16	255
1960	117	54	58	7	13	21	270
1961 1/	122	58	62	6	11	25	284
Vegetables and Preparations:							
1956	60	6	8	17	4	7	102
1957	59	6	5	19	4	8	101
1958	56	7	5	18	5	7	98
1959	59	6	5	15	4	7	96
1960	64	8	10	8	3	8	101
1961 1/	59	10	11	8	4	10	102

1/ Preliminary.

classes—Extra Class, Class I, and Class II. Commodities covered are cauliflowers, lettuce and endive, onions, tomatoes, apples, pears, apricots, peaches, plums, spinach, chicory, peas, French beans, carrots, artichokes, sweet oranges, mandarins and clementines, lemons, table grapes, cherries, and strawberries. Imports of these commodities from third countries must meet these standards or at least equivalent standards. Rules are laid down governing inspection procedures for internal trade, and authorized inspection agencies are named for each country. Italy, Luxembourg, and the Netherlands each have 1 such agency; France has 2, Belgium 4, and West Germany 19. Inspection procedures recognize that, even when fresh commodities are transported under proper conditions, their freshness and firmness decrease somewhat as compared with those of local products, because of the time of shipment from point of origin.

Internal liberalization of Extra Class commodities became effective on July 30, 1962. According to a schedule provided in the regulations, liberalization is to become effective on December 31, 1963, for Class I commodities and on December 31, 1965 for Class II. No other grades of fresh fruits and vegetables may be traded among the member states.

If any internal market suffers, or is threatened with serious disturbances as a result of this internal liberalization of imports, safeguard measures to restrict such imports may be undertaken during the transition period. Member states may take restrictive action with respect to Class I and Class II products without prior approval of the Commission, but they must promptly notify the Commission and other member states and must assure that goods in transit will not be affected. Prior approval of the Commission is required if restrictions are applied to Extra Class commodities. As of December 1, 1962, only one instance of restriction of Extra Class was known; Belgium was authorized to suspend imports of table grapes for 17 days in late October and early November. France, Belgium, and West Germany are currently applying minimum price import systems to some Class I and II commodities shipped from other member states.

Imports of fruits and vegetables from third countries are currently governed by the rules of the individual member states, although the Community has established the procedures needed to invoke an EEC-wide suspension of such imports, or the application of compensatory taxes on them. The regulations provide that these restrictive actions may be undertaken if internal markets suffer or, are threatened with, grave disturbances due to imports from third countries at prices below the level of announced reference prices. As of December 1, 1962, these reference prices had been announced for pears, plums, table grapes, peaches, outdoor grown tomatoes, mandarins and clementines, lemons, and apples. Community officials daily compare prices received for these products at nine Community markets with the reference prices, but as of December 1, 1962, no measures against imports from third countries had been undertaken under this provision.

The regulations are not clear as to how these provisions will be invoked, and Community officials have thus far been unable to provide explanations, although they maintain that any restrictions found necessary on imports from third countries will be applied consistently with the provisions of the General Agreement on Tariffs and Trade. There is little doubt, however, that third-country suppliers currently occupy a residual position in the eyes of the Community, and that the uncertainties of the terms and conditions under which trade can take place will do more to restrict third-country imports than will the Community regulations themselves.

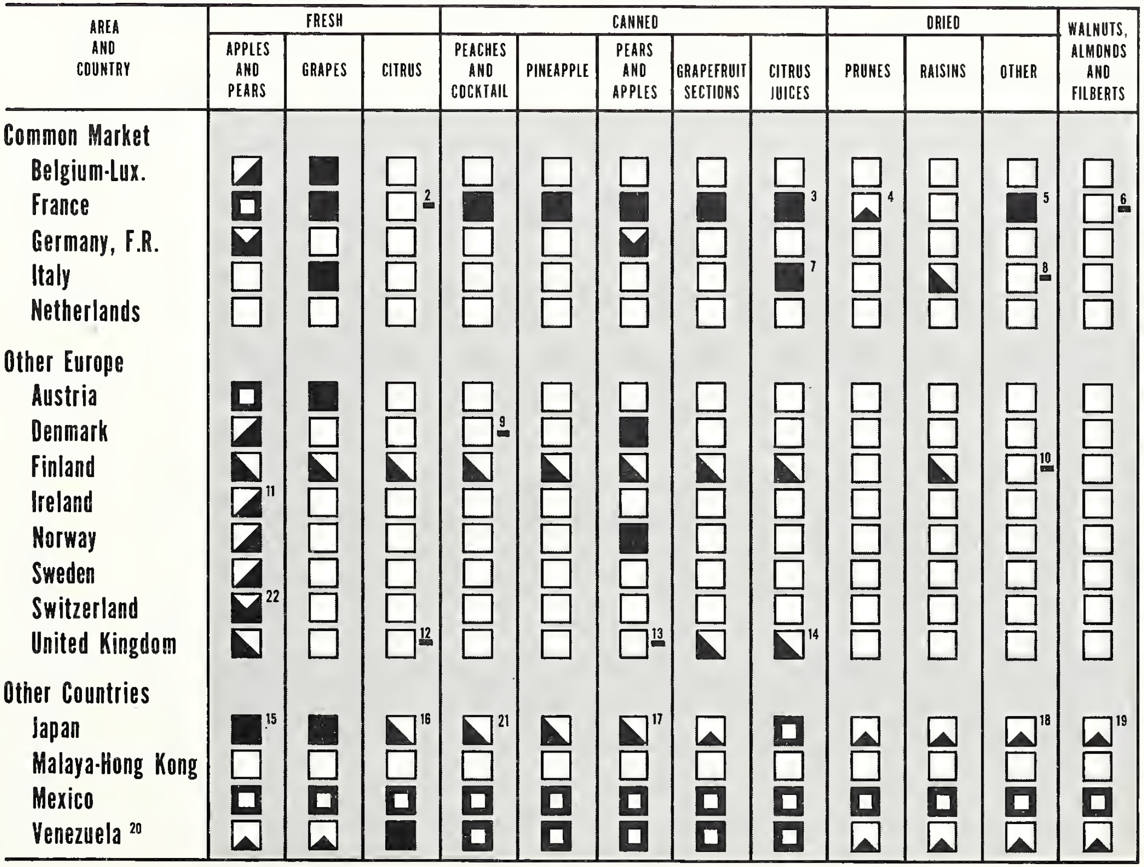
PROMOTION OF U.S. PRODUCTS

The Foreign Agricultural Service's activities in the promotional field fall chiefly into three major categories: (1) Supplementing and extending promotional activities being carried out by U.S. industry groups, (2) helping to introduce new or little-known products into new market areas, and (3) aiding in many ways with technical problems which arise in foreign market areas and which affect an industry as a whole or a large segment of it.

The first category includes continuing projects, most of them now of several years' standing, providing for large-scale advertising and merchandising programs for U.S. fruits and fruit products in historic markets. These programs are aimed at increasing the use of a fruit or fruit product generally

IMPORT CONTROLS OF FOREIGN COUNTRIES FOR COMMODITIES FROM THE DOLLAR AREA [1]

AS OF NOVEMBER 1962



(1) Figures and numbers in the table represent the following controls:

- No import controls
- Imports subject to automatic licensing
- Imports limited by volume
- Imports limited by time periods
- Imports limited by irregular or arbitrary controls
- Imports prohibited

(2) Oranges from October 21 to June 14

(3) Lemon tangerine and grapefruit juice:

(4) Natural condition prunes in sacks only

(5) Apricots and figs (in 15kg. cases)

(6) Walnuts

(7) Grapefruit juice

(8) Excludes consumer packed dates and figs

(9) Fruit cocktail and salad

(10) Dates and figs

(11) Pears

(12) Grapefruit from October 1 to March 30

(13) Apples

(14) Lemons

(15) Pears

(16) Lemons

(17) Apples

(18) Dates

(19) Walnuts

(20) Exchange control restrictions

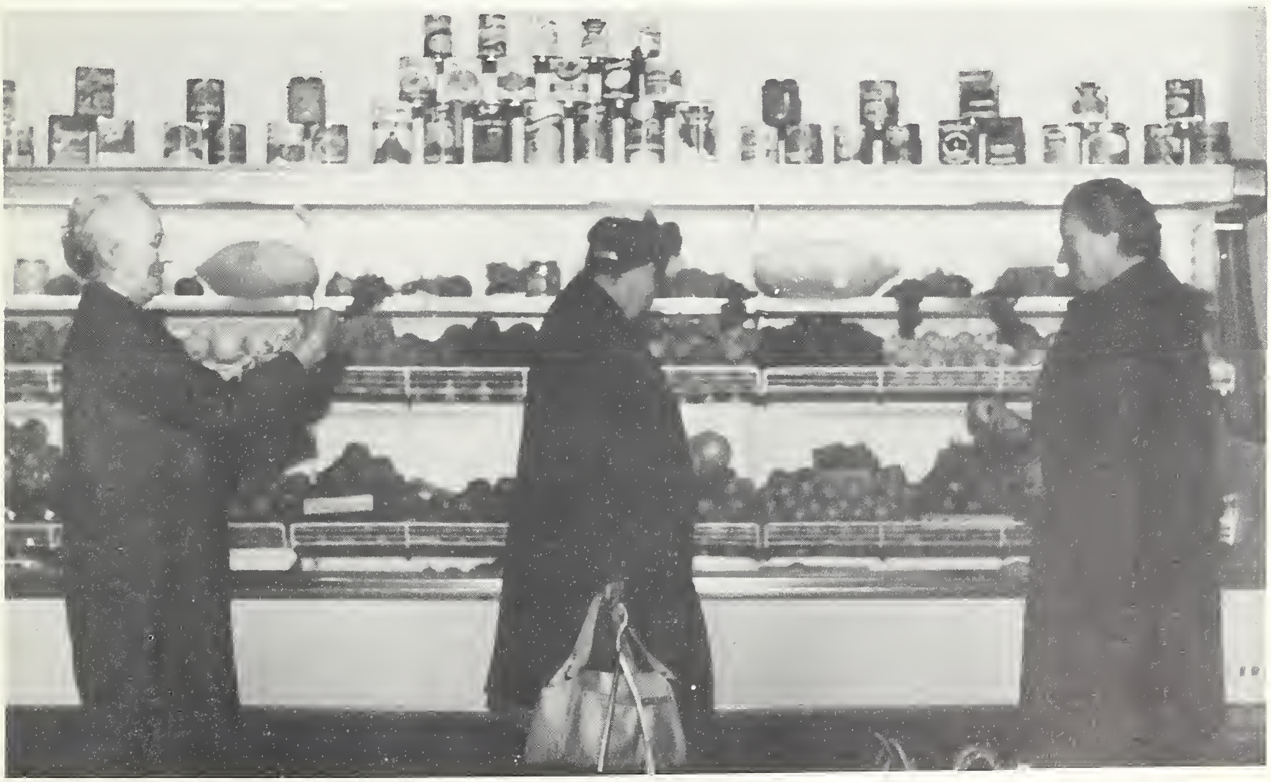
(21) Fruit cocktail and salad

(22) Pears

and increasing the U.S. share of the market specifically. Most of these projects are now on a basis of matching or near-matching funds. In some, the industry contribution to the program exceeds that of government. Included are projects covering Florida citrus, California-Arizona citrus, prunes, and raisins.

In the second category, market surveys and trial promotional or merchandising activities, on a small scale, are in operation for such products as canned and frozen red cherries and fresh and processed cranberries. These are products not generally known in European markets, and these projects are designed to determine the market potential for the product and how best to introduce it. A contribution by FAS covering about two-thirds of the total projected cost is typical in such projects. For cranberries, the initial stages of these activities have been largely completed, and this fall a test promotional program is being undertaken in the United Kingdom to determine to what extent

U.S. displays of fruit at 1962 European trade fairs. Above: demonstration and sampling of raisins at the London fair. Below: Display of American fresh and processed fruit at the Brussels fair.



cranberry use can be encouraged. If this program proves successful, it will serve as a model for similar activities in other European countries.

As promotion proceeds and markets begin to open, the industry will be expected to assume a greater share of the costs as the project becomes a more profitable venture.

In the third category, projects deal with many technical problems which are now affecting various segments of the fruit industry. European countries are establishing regulations governing use of food additives and preservatives. Many of these regulations are not compatible with common U.S. commercial practices. Certain post-harvest additives necessary to assure good arrival of fruit have been banned for use in some countries, even though approved by U.S. Food and Drug Administration authorities for U.S. use. Also, European countries are now establishing uniform grades for fruits and vegetables, which imported products will have to meet. All such developments require, at various times, travel by technicians or scientists from the United States to Europe for meetings, consultations, and the like, as well as travel by similar experts from Europe to the United States to become acquainted with U.S. practices and the reasons for them. Spot projects are written for such trips under which FAS pays the transportation and incidental travel expenses of such groups and the industry pays salaries and any other expenses.

All of these activities are continuing, some of them are being expanded to cover additional countries and/or additional products. In 1962, U.S. fruit and vegetable products were displayed and demonstrated at international trade fairs in London and Brussels. Selected products were also promoted through the smaller exhibition at Manchester, England, and many U.S. exporters participated in the fall showing of processed products for the institutional trade at the U.S. Trade Center, London.

TABLE 18.--Planned expenditures under fruit and vegetable market development projects, fiscal years 1957-62

Year beginning July	Funds from sales for foreign currencies 1/	Funds from industry cooperators	Total
	Equiv. $1,000	*Equiv. $1,000*	*Equiv. $1,000*
1957	84	41	125
1958	170	101	271
1959	14	18	32
1960	138	169	307
1961	433	461	894
1962	400	343	743

1/ Under Sec. 104(a) of P. L. 480.